

(d)(2)(iii), (d)(4)(i), (d)(4)(ii), (d)(4)(iii), (d)(4)(iv), (e), and (e)(2); and adding paragraph (e)(3) to read as follows:

§ 61.22 Emission standard.

(d) *Demolition and renovation.* The requirements of this paragraph shall apply to any owner or operator of a demolition or renovation operation who intends to demolish any institutional, commercial, or industrial building (including apartment buildings having more than four dwelling units), structure, facility, installation, or portion thereof which contains any pipe, duct, boiler, tank, reactor, turbine, furnace, or structural member that is covered or coated with friable asbestos materials, except as provided in paragraph (d)(1) of this section; or who intends to renovate any institutional, commercial, or industrial building, structure, facility, installation, or portion thereof where more than 80 meters (ca. 260 feet) of pipe covered or coated with friable asbestos materials are stripped or removed, or more than 15 square meters, (ca. 160 square feet) of friable asbestos materials used to cover or coat any duct, boiler, tank, reactor, turbine, furnace, or structural member are stripped or removed.

(1) (i) The owner or operator of a demolition operation is exempted from the requirements of this paragraph: *Provided*, (A) The amount of friable asbestos materials in the building or portion thereof to be demolished is less than 80 meters (ca. 260 feet) used on pipes, and less than 15 square meters (ca. 160 square feet) used on any duct, boiler, tank, reactor, turbine, furnace, or structural member, and (B) the notification requirements of paragraph (d)(1)(ii) are met.

(ii) Written notification shall be postmarked or delivered to the Administrator at least 20 days prior to commencement of demolition and shall include the information required by paragraph (d)(2) of this section, with the exception of the information required by paragraphs (d)(2) (iii), (vi), (vii), (viii), and (ix) of this section, and shall state the measured or estimated amount of friable asbestos materials

which is present. Techniques of estimation shall be explained.

(2) * * *

(iii) Description of the building, structure, facility, or installation to be demolished or renovated, including the size, age, and prior use of the structure, and the approximate amount of friable asbestos materials present.

* * *

(4) * * *

(i) Friable asbestos materials, used on any pipe, duct, boiler, tank, reactor, turbine, furnace, or structural member, shall be removed from any building, structure, facility or installation subject to this paragraph. Such removal shall occur before wrecking or dismantling of any portion of such building, structure, facility, or installation that would break up the friable asbestos materials and before wrecking or dismantling of any other portion of such building, structure, facility, or installation, that would preclude access to such materials for subsequent removal. Removal of friable asbestos materials used on any pipe, duct, or structural member which are encased in concrete or other similar structural material is not required prior to demolition, but such materials shall be adequately wetted whenever exposed during demolition.

(ii) Friable asbestos materials used on pipes, ducts, boilers, tanks, reactors, turbines, furnaces, or structural members shall be adequately wetted during stripping, except as provided in paragraphs (d)(4)(iv), (d)(4)(vi), or (d)(4)(vii) of this section.

(iii) Pipes, ducts, boilers, tanks, reactors, turbines, furnaces, or structural members that are covered or coated with friable asbestos materials may be taken out of any building, structure, facility, or installation subject to this paragraph as units or in sections provided the friable asbestos materials exposed during cutting or disjoining are adequately wetted during the cutting or disjoining operation. Such units shall not be dropped or thrown to the ground, but shall be carefully lowered to ground level.

(iv) The stripping of friable asbestos materials used on any pipe, duct,

boiler, tank, reactor, turbine, furnace, or structural member that has been removed as a unit or in sections as provided in paragraph (d)(4)(iii) of this section shall be performed in accordance with paragraph (d)(4)(ii) of this section. Rather than comply with the wetting requirement, a local exhaust ventilation and collection system may be used to prevent emissions to the outside air. Such local exhaust ventilation systems shall be designed and operated to capture the asbestos particulate matter produced by the stripping of friable asbestos materials. There shall be no visible emissions to the outside air from such local exhaust ventilation and collection systems except as provided in paragraph (f) of this section.

* * *

(e) *Spraying.* There shall be no visible emissions to the outside air from the spray-on application of materials containing more than 1 percent asbestos, on a dry weight basis, used on equipment and machinery, except as provided in paragraph (f) of this section. Materials sprayed on buildings, structures, structural members, pipes, and conduits shall contain less than 1 percent asbestos on a dry weight basis.

* * *

(2) Any owner or operator who intends to spray asbestos materials which contain more than 1 percent asbestos on a dry weight basis on equipment and machinery shall report such intention to the Administrator at least 20 days prior to the commencement of the spraying operation. Such report shall include the following information: * * *

(3) The spray-on application of materials in which the asbestos fibers are encapsulated with a bituminous or resinous binder during spraying and which are not friable after drying is exempted from the requirements of paragraphs (e) and (e)(2) of this section.

* * *

(Secs. 112 and 301(a) of the Clean Air Act as amended (42 U.S.C. 7412, 7601(a).))

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Registered
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MONDAY, JUNE 19, 1978

PART IV



**DEPARTMENT OF
HEALTH,
EDUCATION, AND
WELFARE**

**Office of Human
Development Services**

■

**COOPERATIVE
RESEARCH OR
DEMONSTRATION
PROJECTS PROGRAM**

**Announcement of Availability
of Grant Funds**

[4110-92]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Human Development Services

(Program Announcement No. 13647-781)

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS

Announcement of Availability of Grant Funds

AGENCY: Office of Human Development Services, DHEW.

SUBJECT: Announcement of availability of grant funds for the cooperative research and the demonstration projects program.

SUMMARY: The Administration for Public Services (APS) announces that competing applications will be accepted for new research and demonstration grants authorized by sections 1110 and 1115 in title XI of the Social Security Act, as amended.

DATES: Closing dates for receipt of applications are: July 28, 1978 (for priority projects); August 4, 1978 (for nonpriority projects).

SCOPE OF THIS ANNOUNCEMENT

This program announcement for cooperative research and demonstration projects under the Administration for Public Services auspices covers the grant program for fiscal year 1978.

There have been, or will be, additional program announcements in fiscal year 1978 authorized under sections 1110 and 1115 of the Social Security Act by the following HEW agencies: Office of Human Development Services, Office of Planning, Research, and Evaluation; Health Care Financing Administration; and the Social Security Administration.

PROGRAM PURPOSE

Grants funded by APS under sections 1110 and 1115 of the Social Security Act are for domestic research or demonstration projects which will add to existing knowledge and improvement of new methods and techniques for the planning, evaluation, management, and coordination of social services programs.

PROGRAM GOAL AND OBJECTIVES

The cooperative research and demonstration projects program is intended to support the APS goal of improvement of State and local governments and nonprofit organizations' capability to furnish services directed at:

- Achieving self-support and preventing, reducing, and eliminating dependency.
- Achieving/maintaining self-sufficiency.
- Preventing/remedying neglect, abuse, or exploitation and preserving/rehabilitating/reuniting families.

- Reducing inappropriate institutionalization.

- Securing appropriate institutionalization.

APS has the following program objectives which reflect this goal:

- To assess the impact of conflicting eligibility requirements and fragmentation of services and seek to remove such barriers.

- To improve case management, coordination of services, and interagency relationship, at the local level.

- To determine the feasibility of a policy on population coverage/universality for social services.

- To assess current laws, regulations, and practices to identify barriers to service access.

Applications for project grants should indicate that the proposed project will achieve or is capable of achieving one or more of these program objectives. APS has identified certain priority projects for which it is particularly interested in receiving applications. These projects are identified below. Please note that the priority projects are identified by a number in parenthesis after each project. Supplemental project descriptive information for the priority projects will be included in the application kits. However, prospective grantees are requested to use the unique identifier for each project in which they are interested. (For further information see section entitled "The Application Process.")

Applicants may also submit a proposal for a project not identified in this program announcement but which is relevant to an APS goal or objective. These applications will be designated as non-priority but will also be subject to the panel review process.

Priority projects are being solicited in the following four areas:

- Making social services accessible to rural residents by means of satellite diagnostic social service centers (78-023-01D) (for this project, States that apply under section 1115 will be given preference).

- Identifying and assessing the impact of administrative, community resource, legal, legislative, attitudinal barriers at the State and local level to the development of community based facilities to meet the long term care needs of the elderly and the handicapped (78-123-03Ra).

- Developing a methodology for identifying "high risk" families at an early stage; developing and providing intensive services to "families at risk" to improve the functioning and parenting practice thus preventing the need for placement of the child(ren) in foster care and improving the quality of care in their own homes (78-023-05D).

- Establish a Social Welfare Research Institute to conduct programmatic research in one or more specified areas of major concern to the Administration for Public Services (78-123-07R).

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ELIGIBLE APPLICANTS

SECTION 1110 GRANTS

Any State, public, or other nonprofit organization or agency may apply for a section 1110 grant under this announcement.

SECTION 1115 GRANTS

Under section 1115, applications for grants may be made only by a State agency designated as the single State agency for a Social Security Act program, e.g., the State Title XX agency.

Applications jointly developed by State and local community multiprogram human service agencies, foundations, and universities are encouraged to promote a comprehensive approach to complex issues involved in developing and administering human service programs.

AVAILABLE FUNDS

The Administration for Public Services expects to award approximately \$770,000 in fiscal year 1978 for new grants funded under section 1110 and section 1115 of the Social Security Act. A new grant is the initial grant made in support of a project for this program.

It is expected that five grants will be awarded pursuant to this announcement. The range of grant awards is expected to be between \$90,000 and \$150,000, with the average award expected to be \$100,000. Projects will be supported for periods of 1 to 3 years. The funds provided in the initial grant will sustain the Federal share of the budget for the first year of the project. Support for any additional time remaining in the project period depends on funds available, and the grantee's satisfactory performance of the project for which the grant was awarded.

In fiscal year 1977, approximately 120 applications for cooperative research and demonstration projects for the Administration for Public Services grants were accepted for review and evaluation. About \$1,385,000 was awarded to 22 grantees for new R. & D. projects.

GRANTEE SHARE OF THE PROJECT

SECTION 1110

Grantees receiving financial assistance to conduct projects are expected to contribute some portion of the project costs for each year for which funding is requested. Generally, five (5) percent is considered acceptable. No section 1110 grant will cover 100 percent of project costs. The grantee share may be cash or in-kind, and the project related and allowable under

the Department's applicable cost principles published in 45 CFR Part 74 (see 38 FR 26274, September 19, 1973).

SECTION 1115

Special Federal project grant funds received under section 1115 are available to be used as the single State agency's matching funds to obtain regular Federal share funds in order that the entire cost of the demonstration project may be covered by Federal funds. It should be noted that except for training components of a project the regular Federal share funds under title XX of the Social Security Act must come from the State agency's title XX allotment.

THE APPLICATION PROCESS

AVAILABILITY OF APPLICATION FORMS

Application kits which contain the prescribed application forms and supplemental descriptive project information are available from:

Division of Research, Demonstration, and Evaluation, Administration for Public Services/OHDS/HEW, Room 2120, Mary E. Switzer Building, 330 C Street SW., Washington, D.C. 20201, attention: 13647-781, telephone 202-245-0877.

APPLICATION SUBMISSION

In order to be considered for a section 1115 grant, all applications must be submitted on standard forms provided for this purpose by APS/OHDS. The application shall be executed by an individual authorized to act for the applicant agency and to assume the obligations imposed by the terms and conditions of the grant award. One signed application and two copies including all cover letters and attachments, are required.

As part of the project title (application form 4240101, item 7) the applicant must clearly indicate whether the application submitted is in response to a priority project identified in this announcement, and must reference the unique project identifier (e.g., 78-023-01D, 78-123-03Ra, etc.) for which the application is to complete. Applications lacking such a designation will be considered as nonpriority and will compete accordingly.

A-95 AND NATIONAL WELFARE RIGHTS ORGANIZATION NOTIFICATION PROCESS

The cooperative research or demonstration program (1110) and the demonstration projects program (1115) are not covered by OMB Circular A-95. All section 1115 project applications are forwarded by HEW to the National Welfare Rights Organization (NWRO) for their review and comments. There is a 30-day period allowed for this review process.

APPLICATION CONSIDERATION

The Commissioner for the Administration for Public Services determines

the final action to be taken with respect to each grant application. Applications which do not conform to this announcement or are not complete will not be accepted and applicants will be notified accordingly. Applications for priority projects which are received after the closing date will be considered as nonpriority applications and will compete accordingly. Nonpriority project applications may be submitted at any time and those received after the closing date will be held for the next competitive review. Otherwise, all accepted applications will be considered for funding.

All accepted grant applications are subjected to a competitive review and evaluation conducted by a panel of qualified persons independent of the Administration for Public Services. The results of the competitive review supplement and assist the Commissioner in the consideration of the competing applications. The Commissioner's assessment also takes into account comments of the HEW Regional Offices, and the Headquarters APS staff. Comments on the applications may also be requested from appropriate specialists and consultants inside and outside of the Government.

After the Commissioner has reached a decision either to disapprove or not to fund a competitive grant application, unsuccessful applicants are notified in writing of this decision. Successful applicants are notified through the issuance of a notice of grant awarded which sets forth the amount of funds granted, the terms and conditions of the grant, the budget period for which support is given, the total grantee participation, if any, and the total period for which project support is contemplated.

CRITERIA FOR REVIEW AND EVALUATION OF APPLICATIONS

Competing grant applications will be reviewed and evaluated, against the following criteria:

1. The project objectives are related to specific APS/OHDS goals and priorities defined in this program announcement. Project objectives are explicitly described and measurable. Impacted APS/OHDS target groups are individually identified and quantitatively estimated.

2. The concept to be researched/demonstrated is reflected in a clear statement of purpose. A literature review indicated the concept is innovative and not duplicative of other efforts.

3. A well-defined and carefully worked out methodology (hypotheses to be tested, research design, identification of variables, analytical methodologies, evaluation methods) is included. The knowledge, methods, or technology developed is such that an impact can be expected on human services programs and target groups.

4. Tasks and milestones are clearly described and scheduled. The proposed time schedule is reasonable considering the nature of the project. In cases where a specific staff is not proposed in the project, sufficient start-up time has been allowed to recruit staff.

5. The knowledge, methods, or technology developed in experimental, developmental, or other demonstration projects will be replicable in whole or in part and potentially applicable in areas other than the test sites.

6. A brief and focused record of the applicant organization in conducting related activities is provided. The project lists qualifications of the (existing and anticipated) project personnel and identifies how those qualifications enable those people to perform their assigned tasks in the project in a competent manner. The applicant organization has adequate facilities and resources to carry out the project.

7. The budget is given in detail with justifications and explanations. Estimated costs are reasonable considering anticipated results.

8. The project has an evaluation component which described data collection and analysis procedures geared to assessment of the degree to which intended objectives are achieved using quantitative measures to the maximum extent feasible. The evaluation is clearly distinguished from activities designed primarily for giving project staff feedback on their progress toward meeting project objectives.

9. Plans for utilization of a research or a demonstration project's results and appropriate dissemination procedures are included.

10. The contribution of any collaborative agencies or organizations are assured in writing and included with the application.

CLOSING DATES FOR RECEIPT OF APPLICATIONS

The closing date for receipt of applications for the priority projects identified in this program announcement is July 28, 1978 (priority project Nos. 78-023-01D; 78-023-05D; 78-123-03Ra; and 78-123-07R).

The closing date for receipt of applications for nonpriority projects is August 4, 1978.

Applications may be mailed or hand delivered to:

Division of Grants and Contracts Management, Office of Human Development Services/HEW, Room 1427, Mary E. Switzer Building, 330 C Street SW., Washington, D.C. 20201, attention: 13647-781.

Applications must be received at the above address by the respective closing dates. Hand delivered applications are accepted during normal working hours of 9 a.m. to 5 p.m., Monday through Friday. An application will be considered to be received on time if:

NOTICES

a. The application was sent by registered or certified mail not later than the respective closing date, as evidenced by the U.S. Postal Service postmark, or on the original receipt from the U.S. Postal Service; or

(b) The application is received on or before the respective closing date by the Department of Health, Education, and Welfare in Washington, D.C. (In establishing the date of receipt, consideration will be given to the time date stamp of the mailroom or other documentary evidence of receipt maintained by HEW.)

(Catalog of Federal Domestic Assistance No. 13647, Social Services Research.)

Dated: June 6, 1978.

ERNEST L. OSBORNE,
Acting Commissioner,
Administration for Public Services.

Approved: June 14, 1978.

ARABELLA MARTINEZ,
Assistant Secretary for
Human Development Services.

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MONDAY, JUNE 19, 1978
PART V



**ENVIRONMENTAL
PROTECTION
AGENCY**



**1977 CLEAN AIR ACT;
PREVENTION OF
SIGNIFICANT AIR
QUALITY
DETERIORATION**

**State Implementation Plans;
Requirements**

**Register
of
Proposed
Rules**

[6560-01]

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL
PROTECTION AGENCY

Subchapter C—Air Programs

[FRL 904-3]

PART 51—REQUIREMENTS FOR PREP-
ARATION, ADOPTION, AND SUB-
MITTAL OF IMPLEMENTATION
PLANSPrevention of Significant Air Quality
DeteriorationAGENCY: Environmental Protection
Agency.

ACTION: Final rule.

SUMMARY: The Clean Air Act Amendments of 1977 (Pub. L. 95-95) include comprehensive new requirements for the prevention of significant air quality deterioration (PSD). EPA is today publishing final guidance to assist States in preparing State implementation plan (SIP) revisions meeting the new requirements. Each State is to submit such a revision to EPA for approval within nine months of today.

DATES: State implementation plan revisions due within nine months after this publication date (March 19, 1979).

FOR FURTHER INFORMATION
CONTACT:

Darryl Tyler, Chief, Standards Implementation Branch (MD-15), Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, 919-541-5425.

SUPPLEMENTARY INFORMATION:

PRE-1977 Amendments

On December 5, 1974, EPA published regulations under the 1970 version of the Clean Air Act (Pub. L. 91-604) for the prevention of significant air quality deterioration (PSD). These regulations, codified at 40 CFR 52.21, established a program for protecting areas with air quality cleaner than the national ambient air quality standards (NAAQS).

Under EPA's regulatory program, clean areas of the Nation could be designated under any of three "Classes." Specified numerical "increments" of air pollution were permitted under each class up to a level considered to be "significant" for that area. Class I increments permitted only minor air quality deterioration; class II increments, moderate deterioration; class III increments, deterioration up to the secondary NAAQS.

EPA initially designated all clean areas of the Nation as class II. States, Indian Governing Bodies, and officials having control over Federal lands

(Federal land managers) were given authority to redesignate their lands under specified procedures. The area classification system was administered and enforced through a preconstruction permit program for nineteen specified types of stationary air pollution sources. This preconstruction review in addition to limiting future air quality deterioration required that any source subject to the requirements would apply best available control technology (BACT).

1977 AMENDMENTS

On August 7, 1977, the Clean Air Act Amendments of 1977 became law. The 1977 amendments changed the 1970 act and EPA's regulations in many respects, particularly with regard to PSD. (See Clean Air Act sections 160-169, 42 U.S.C. 7470-79 (Clean Air Act Amendments of 1977, Pub. L. 95-95, 127(a), 91 Stat. 731), as amended, Pub. L. 95-190, section 14(a) (40)-(54), 91 Stat. 1401-02 (November 16, 1977) (technical and conforming amendments).) In addition to mandating certain immediately effective changes to EPA's PSD regulations, the new Clean Air Act, in sections 160-169, contains comprehensive new PSD requirements. These new requirements are to be incorporated by States into their implementation plans (under section 110 of the act). By virtue of section 406(d) of the amendments, such State implementation plan revisions are due nine months after EPA issues these regulations published today which provide the States with guidance on submitting approvable plan provisions. In the interim, implementation of the PSD program under 40 CFR 52.21 will continue but as amended today.

In a rulemaking action appearing elsewhere in today's FEDERAL REGISTER, EPA amends its own PSD regulations (40 CFR 52.21) to incorporate all of the new requirements of sections 160-169. The two rulemaking actions promulgated today are essentially identical, with the difference in reviewing agency, EPA as opposed to a State, being the major distinction. The issues discussed below as supplementary information to this rulemaking focus on concerns inherent to State PSD implementation. Other topics of concern to States choosing to develop their own PSD programs are discussed in the rulemaking affecting EPA's current implementation of the PSD program (40 CFR 52.21). Thus, the two rules should be read together.

PROTECTION OF INCREMENTS

New section 163(b) of the act sets forth immediately effective ambient air increments for particulate matter and sulfur dioxide in class I, class II, and class III areas. EPA specifically solicited public comments as to whether the PSD "increments" were to be

protected only through the preconstruction review process of section 165 of the act. Section 161 of the act requires that each implementation plan "contain emission limits and such other measures as may be necessary * * * to prevent significant deterioration * * *." Section 163 requires plans to "contain measures assuring protection of ambient increments and ceilings."

State agencies and major industries that addressed the question uniformly felt that preconstruction review alone was the mechanism considered by Congress to protect increment consumption. Environmental groups felt that the increments should be treated in basically the same regulatory manner as the ambient air quality standards established under Section 109. A careful review of the legislative history indicates that the latter approach is the approach intended by Congress. The legislative history is particularly clear in the conference report on the bill that was finally adopted by Congress and signed into law. (H.R. Rep. No. 95-564, at 149 (1977).) The conference report describes the approach taken in the House bill regarding increment protection: "If increments are exceeded, the State must revise the State implementation plan to insure that the increment is not exceeded. Sources receiving new emission limitations would be eligible for compliance date extensions under the compliance date extension section of the bill." (Id.) This approach differs considerably from the approach in the Senate bill which was specifically limited to the review of major sources. Since Congress had a clear choice to make and as the language in the final act is that of the House bill, States are required to secure appropriate emissions reductions where the increment has been exceeded.

Any SIP relaxations submitted after today that would affect a PSD area must include a demonstration that the applicable increment will not be exceeded. Increment consumption due to a plan relaxation would be typically determined through modeling the difference between the allowable emissions resulting from the new relaxed SIP limit and the emissions of the applicable sources which would be included in the baseline. SIP relaxations received by EPA after August 7, 1977, but before today's FEDERAL REGISTER will consume increment. However, EPA believes that such revisions require special consideration due to the uncertainty of how the new Act would apply to such SIP relaxations. To review these proposed revisions as to the degree of anticipated increment consumption without advance notice would have caused considerable delay and economic disruption. Therefore,

the Administrator feels that these SIP relaxations need not be individually assessed to determine the precise amount of consumed increment before such relaxations may be approved. The periodic assessment requirement to verify that the applicable increments have not been exceeded is thought to be sufficient protection.

The State must include a program to assess periodically whether emissions from exempted or unreviewed sources are endangering an applicable increment. Such periodic reviews must be subject to the opportunity for public hearing. If a periodic review or the ambient impact review of a major source shows an area to be in violation of an increment, then the plan must be revised within 60 days or such time as determined by the Administrator. The SIP revision should be designed to roll back emissions to a level such that the increment is no longer exceeded. This may induce the use of economic incentives such as emissions charges or the development of offset markets. SIP revisions are more thoroughly discussed in the supplementary information to EPA's PSD regulation published elsewhere in today's *FEDERAL REGISTER*.

The comments raised a number of other issues related to consumption of increments. The Administrator wishes to clarify first that States can expand the available PSD increment(s) by requiring emission reductions from existing sources. Similarly, the procurement of acceptable emission offsets (i.e., additional control of existing sources) may be used by a source, if a State so permits, in order to allow its construction where the increment would not otherwise allow approval. For further discussion of increment consumption, see the preamble to EPA's PSD regulations published elsewhere in today's *FEDERAL REGISTER*.

State implementation plan revisions to implement the new PSD requirements are required to specify the measures both to protect the increments and allocate their use. States under today's 40 CFR part 51 regulations are encouraged to examine alternative approaches to the allocation of available increments in order to provide for their individual growth objectives and planning concerns. To support this effort, the Agency is initiating studies to assess the merits and feasibility of various allocation programs. The Agency will evaluate approaches in which economic incentives serve as a supplement to, or a replacement for, an administrative permitting procedure and variations on first-come, first-served permitting. The economic incentive based approaches to be considered include marketable permits, emissions fees, and emissions density zoning.

A marketable permit program would allow, among other things, a permitted

source to sell portions of its permit to other sources. An ordinary permit specifies certain conditions on the maximum emissions from the source but provides no incentive to reduce emissions below the level specified in the permit. A marketable permit allows the source to sell a portion of its permit proportional to the degree to which it reduces emissions below the level specified in the original permit through the application of improved control technology. Thus, a source would have an incentive to reduce emissions since it could sell the emission reduction to another source. A source would purchase this offsetting reduction if it were cheaper than its own cost of reduction. Thus, a marketable permit program could lead to the same emission reduction as a standard permit program but at a lower total cost. Sources with higher marginal costs of compliance would control less and sources with lower marginal costs would control more.

Under another approach, emission fees would be charged to a source according to the quantity of pollutants it emits. These would serve as an incentive to minimize pollution since reducing pollution will lower costs to the source. Emissions fees might be used as a supplement to or replacement for ordinary permits.

Emission density zoning classifies each land area according to the quantity of pollutants that could be emitted into the air over that land. This might be based on some allowable ambient pollutant concentration. Thus, each acre of land translates to a fixed quantity of emissions allowed. Sources would then purchase the "air rights" to enough land to cover their emissions. If these rights are expensive, sources will control more than if these air rights were cheap. In general, these air rights will be more expensive in areas where there is high demand from many sources than in areas where there are fewer sources of comparable size. More expensive air rights would lead to higher levels of control, since more costly equipment would be justified in order to buy the remaining air rights.

EPA in the past has implemented the PSD program on a first-come, first-served basis. However, it does not appear that this approach alone may be adequate to achieve the purposes of the act on a long-term basis. While EPA is administering the PSD permit program, the Administrator will solicit and give careful consideration during the permit review process to the views of State and local officials regarding the impact of proposed permit decisions on an area's potential for economic development. For further discussion, see the preamble to EPA's PSD regulations published elsewhere in today's *FEDERAL REGISTER*.

PERMIT REVIEW PROCESS

Virtually every comment spoke to the issue of subjecting sources to PSD review on the basis of their uncontrolled emissions as EPA proposed. Many State and local agencies expressed a deep concern that to make sources subject to the full PSD requirements on this basis would result in an unmanageable number of detailed and resource intensive reviews. The rulemaking allows States generally to exempt from air quality reviews those sources with minimal emissions. Only those sources which would have allowable emissions equal to or greater than 50 tons per year, 1,000 pounds per day, or 100 pounds per hour (50/1,000/100), or would impact a class I area or an area where the increment is known to be violated, must receive an ambient review. In addition only these sources must undergo case-by-case review for BACT and then only as to those pollutants regulated under the act for which the source would be major.

The rulemaking also allows States to exempt sources with allowable emissions of less than 50 tons per year from a case-by-case BACT review where the State feels such an exemption is appropriate. It should be noted that this approach is based on analysis which indicates that, on a national basis, such sources are a very small part of emissions growth. In some States such sources may be a more significant portion of the emissions inventory and thus BACT review of smaller sources may be appropriate. States should examine this issue carefully in preparing their implementation plan. EPA will also consider this issue in evaluating plan revisions submitted by States.

State implementation plans must include procedures for expeditiously informing a PSD permit applicant of the completeness of the application. The permitting authority must specify a time period within which the completeness of a permit application would be determined. For example, EPA specifies 30 days when implementing the PSD program under 40 CFR 52.21.

BACT

The November 3, 1977, proposal solicited comment on the use of a de minimis level of 100 tons per year potential emissions for each pollutant for triggering the BACT requirement. The Agency stated the issue:

For example, if a source is subject to PSD review either because it is one of the named sources or because it has potential emissions of 250 tons per year of a given pollutant, BACT would be required only for those pollutants whose potential emissions exceed 100 tons per year.

Comments received indicated that if a source is subject to PSD on the basis

of the 250 tons per year criterion, then the BACT de minimis level should be made consistent for such sources (i.e., BACT should be required only for those pollutants for which the potential emissions exceed 250 tons). The Administrator agrees with this argument and appropriate changes are made in the regulations set forth below.

MONITORING AND MODELING

Extensive public comment was received on the proposed requirements for monitoring and modeling. These issues are extensively discussed in the Part 52 rulemaking published elsewhere in today's *FEDERAL REGISTER*. As noted, EPA intends that monitoring should generally focus on obtaining data necessary for required review against NAAQS. Although the incremental consumption must of necessity be tracked through the use of modeling, EPA does not intend that there be no "real world" checks on the accuracy of modeling. If a source or other party believes that the recommended models have either overpredicted or underpredicted the air quality impact of a source, the State may accept the submission of data which will more precisely define the impact of the source.

REDESIGNATION

In response to comments, a number of changes have been made regarding redesignations of areas. The analysis and public hearing requirement have been modified to conform to the language in the 1977 Amendments. The requirement for public availability of information relating to sources which may be permitted only if an area is redesignated has been limited to sources for which an ambient impact analysis must be done. Finally, this rulemaking removes the provision requiring that final action on a permit be delayed if the source would impact upon an area where a proposed redesignation to a more stringent class was pending. The original intent of this provision was to protect potential class I areas during startup of the new PSD program. All areas were then class II. Now Congress has specifically designated Federal class I areas and States have had considerable opportunity to designate any others. States may establish such a requirement at their own discretion.

Several other issues are discussed in the "Supplementary Information" to the part 52 PSD rulemaking also published today. That discussion should be considered in conjunction with this one.

FINAL ACTION

The following regulatory amendments are nationally applicable, and this action is based upon determina-

tions of nationwide scope and effect. Therefore, under section 307(b)(1) of the Act, judicial review may be sought only in the U.S. Court of Appeals for the District of Columbia. Petitions for judicial review must be filed on or before August 18, 1978.

(Secs. 101(b)(1), 110, 114, 123, 125(e), 160-169, 301(a) of the Clean Air Act, as amended (42 U.S.C. 7401(b)(1), 7410, 7414, 7423, 7425(e), 7470-7479, 7601(a)).)

Dated: June 9, 1978.

DOUGLAS M. COSTLE,
Administrator.

Title 40, Part 51 of the Code of Federal Regulations is amended by adding § 51.24 as follows:

§ 51.24 Prevention of significant deterioration of air quality.

(a) (1) *Plan requirements.* In accordance with the policy of section 101(b)(1) of the act and the purposes of section 160 of the Act, each applicable State implementation plan shall contain emission limitations and such other measures as may be necessary to prevent significant deterioration of air quality.

(2) *Plan revisions.* If a State implementation plan revision would result in increased air quality deterioration over any baseline concentration, the plan revision shall include a demonstration that it will not cause or contribute to a violation of the applicable increment.

(3) *Required plan revision.* If the State or the Administrator determines that a plan is substantially inadequate to prevent significant deterioration or that an applicable increment is being violated, the plan shall be revised to correct the inadequacy or the violation. The plan shall be revised within 60 days of such a finding by a State or within 60 days following notification by the Administrator, or by such later date as prescribed by the Administrator after consultation with the State.

(4) *Plan assessment.* The State shall review the adequacy of a plan on a periodic basis and within 60 days of such time as information becomes available that an applicable increment is being violated.

(5) *Public participation.* Any State action taken under this paragraph shall be subject to the opportunity for public hearing in accordance with procedures equivalent to those established in § 51.4.

(b) *Definitions.* For the purposes of this section:

(1) "Major stationary source" means:

(i) Any of the following stationary sources of air pollutants which emit, or have the potential to emit, 100 tons per year or more of any air pollutant regulated under the Clean Air Act (the "Act"): Fossil fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input,

coal cleaning plants (with thermal dryers), kraft pulp mills, portland cement plants, primary zinc smelters, iron and steel mill plants, primary aluminum ore reduction plants, primary copper smelters, municipal incinerators capable of charging more than 250 tons of refuse per day, hydrofluoric, sulfuric, and nitric acid plants, petroleum refineries, lime plants, phosphate rock processing plants, coke oven batteries, sulfur recovery plants, carbon black plants (furnace process), primary lead smelters, fuel conversion plants, sintering plants, secondary metal production plants, chemical process plants, fossil fuel boilers (or combination thereof) totaling more than 250 million British thermal units per hour heat input, petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels, taconite ore processing plants, glass fiber processing plants, and charcoal production plants; and

(ii) Notwithstanding the source sizes specified in paragraph (b)(1)(i) of this section, any source which emits, or has the potential to emit, 250 tons per year or more of any air pollutant regulated under the Act.

(2) "Major modification" means any physical change in, change in the method of operation of, or addition to a stationary source which increases the potential emission rate of any air pollutant regulated under the Act (including any not previously emitted and taking into account all accumulated increases in potential emissions occurring at the source since regulations were approved under this section, or since the time of the last construction approval issued for the source pursuant to such regulations approved under this section, whichever time is more recent, regardless of any emission reductions achieved elsewhere in the source) by either 100 tons per year or more for any source category identified in paragraph (b)(1)(i) of this section, or by 250 tons per year or more for any stationary source.

(i) A physical change shall not include routine maintenance, repair and replacement.

(ii) A change in the method of operation, unless previously limited by enforceable permit conditions, shall not include:

(a) An increase in the production rate, if such increase does not exceed the operating design capacity of the source;

(b) An increase in the hours of operation;

(c) Use of an alternative fuel or raw material by reason of an order in effect under sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation), or by reason of a natural gas curtailment plan in effect pursuant to the Federal Power Act;

(d) Use of an alternative fuel or raw material, if prior to January 6, 1975, the source was capable of accommodating such fuel or material; or

(e) Use of an alternative fuel by reason of an order or rule under section 125 of the Act.

(f) Change in ownership of the source.

(3) "Potential to emit" means the capability at maximum capacity to emit a pollutant in the absence of air pollution control equipment. "Air pollution control equipment" includes control equipment which is not, aside from air pollution control laws and regulations, vital to production of the normal product of the source or to its normal operation. Annual potential shall be based on the maximum annual rated capacity of the source, unless the source is subject to enforceable permit conditions which limit the annual hours of operation. Enforceable permit conditions on the type or amount of materials combusted or processed may be used in determining the potential emission rate of a source.

(4) "Source" means any structure, building, facility, equipment, installation or operation (or combination thereof) which is located on one or more contiguous or adjacent properties and which is owned or operated by the same person (or by persons under common control).

(5) "Facility" means an identifiable piece of process equipment. A stationary source is composed of one or more pollutant-emitting facilities.

(6) "Fugitive dust" means particulate matter composed of soil which is uncontaminated by pollutants resulting from industrial activity. Fugitive dust may include emissions from haul roads, wind erosion of exposed soil surfaces and soil storage piles, and other activities in which soil is either removed, stored, transported, or redistributed.

(7) "Construction" means fabrication, erection, installation, or modification of a source.

(8) "Commence" as applied to construction of a major stationary source or major modification means that the owner or operator has all necessary preconstruction approvals and either has:

(i) Begun, or caused to begin, a continuous program of physical on-site construction of the source to be completed within a reasonable time; or

(ii) Entered into binding agreements or contractual obligations, which cannot be cancelled or modified without substantial loss to the owner or operator, to undertake a program of construction of the source to be completed within a reasonable time.

(9) "Necessary preconstruction approvals or permits" means those permits or approvals required under Federal air quality control laws and regu-

lations and those air quality control laws and regulations which are part of the applicable State implementation plan.

(10) "Best available control technology" means an emission limitation (including a visible emission standard) based on the maximum degree of reduction for each pollutant subject to regulation under the act which would be emitted from any proposed major stationary source or major modification which the permitting authority, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant. In no event shall application of the best available control technology result in emissions of any pollutant which would exceed the emissions allowed by any applicable standard under 40 CFR Part 60 and Part 61. If the reviewing agency determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an emission standard infeasible, it may instead prescribe a design, equipment, work practice or operational standard, or combination thereof, to require the application of best available control technology. Such standard shall, to the degree possible, set forth the emission reduction achievable by implementation of such design, equipment, work practice or operation and shall provide for compliance by means which achieve equivalent results.

(11) "Baseline concentration" means that ambient concentration level reflecting actual air quality as of August 7, 1977, minus any contribution from major stationary sources and major modifications on which construction commenced on or after January 6, 1975. The baseline concentration shall include contributions from:

(i) The actual emissions of other sources in existence on August 7, 1977, except that contributions from facilities within such existing sources for which a plan revision proposing less restrictive requirements was submitted on or before August 7, 1977, and was pending action by the Administrator on that date shall be determined from the allowable emissions of such facilities under the plan as revised; and

(ii) The allowable emissions of major stationary sources and major modifications which commenced construction before January 6, 1975, but were not in operation by August 7, 1977.

(12) "Federal Land Manager" means, with respect to any lands in the United States, the Secretary of the de-

partment with authority over such lands.

(13) "High terrain" means any area having an elevation of 900 feet or more above the base of the stack of a facility.

(14) "Low terrain" means any area other than high terrain.

(15) "Indian Reservation" means any federally-recognized reservation established by treaty, agreement, Executive order, or act of Congress.

(16) "Indian Governing Body" means the governing body of any tribe, band, or group of Indians subject to the jurisdiction of the United States and recognized by the United States as possessing power of self-government.

(17) "Allowable emissions" means the emission rate calculated using the maximum rated capacity of the source (unless the source is subject to enforceable permit conditions which limit the operating rate or hours of operation, or both) and the most stringent of the following:

(i) Applicable standards as set forth in 40 CFR Part 60 and Part 61,

(ii) The applicable State implementation plan emission limitation, or

(iii) The emission rate specified as a permit condition.

(18) "Reconstruction" will be presumed to have taken place where the fixed capital cost of the new components exceed 50 percent of the fixed capital cost of a comparable entirely new facility or source. However, any final decision as to whether reconstruction has occurred shall be made in accordance with the provisions of 40 CFR 60.15(f)(1)-(3). A reconstructed source will be treated as a new source for purposes of this section, except that use of an alternative fuel or raw material by reason of an order in effect under Sections 2 (a) and (b) of the Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation), by reason of a natural gas curtailment plan in effect pursuant to the Federal Power Act, or by reason of an order or rule under Section 125 of the Act, shall not be considered reconstruction. In determining best available control technology for a reconstructed source, the provisions of 40 CFR 60.15(f)(4) shall be taken into account in assessing whether a standard of performance under 40 CFR Part 60 is applicable to such source.

(19) "Fixed capital cost" means the capital needed to provide all the depreciable components.

(c) *Ambient air increments.* The plan shall contain emission limitations and such other measures as may be necessary to assure that in areas designated as Class I, II, or III, increases in pollutant concentration over the baseline concentration shall be limited to the following:

Pollutant	Maximum allowable increase (micrograms per cubic meter)
CLASS I	
Particulate matter:	
Annual geometric mean	5
24-hr maximum	10
Sulfur dioxide:	
Annual arithmetic mean	2
24-hr maximum	5
3-hr maximum	25
CLASS II	
Particulate matter:	
Annual geometric mean	19
24-hr maximum	37
Sulfur dioxide:	
Annual arithmetic mean	29
24-hr maximum	91
3-hr maximum	512
CLASS III	
Particulate matter:	
Annual geometric mean	37
24-hr maximum	75
Sulfur dioxide:	
Annual arithmetic mean	40
24-hr maximum	182
3-hr maximum	700

For any period other than an annual period, the applicable maximum allowable increase may be exceeded during one such period per year at any one location.

(d) *Ambient air ceilings.* The plan shall provide that no concentration of a pollutant shall exceed:

(1) The concentration permitted under the national secondary ambient air quality standard, or

(2) The concentration permitted under the national primary ambient air quality standard, whichever concentration is lowest for the pollutant for a period of exposure.

(e) *Restrictions on area classifications.* The plan shall provide that—

(1) All of the following areas which were in existence on August 7, 1977, shall be Class I areas and may not be redesignated:

- (i) International parks,
- (ii) National wilderness areas which exceed 5,000 acres in size,
- (iii) National memorial parks which exceed 5,000 acres in size, and
- (iv) National parks which exceed 6,000 acres in size.

(2) Areas which were redesignated as Class I under regulations promulgated before August 7, 1977, shall remain Class I, but may be redesignated as provided in this section.

(3) Any other area, unless otherwise specified in the legislation creating such an area, is initially designated Class II, but may be redesignated as provided in this section.

(4) The following areas may be redesignated only as Class I or II:

(i) An area which as of August 7, 1977, exceeded 10,000 acres in size and was a national monument, a national primitive area, a national preserve, a national recreational area, a national wild and scenic river, a national wildlife refuge, a national lakeshore or seashore; and

(ii) A national park or national wilderness area established after August 7, 1977, which exceeds 10,000 acres in size.

(f) *Exclusions from increment consumption.* (1) The plan may provide that the following concentrations shall be excluded in determining compliance with a maximum allowable increase:

(i) Concentrations attributable to the increase in emissions from stationary sources which have converted from the use of petroleum products, natural gas, or both by reason of an order in effect under Sections 2 (a) and (b) of the Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation) over the emissions from such sources before the effective date of such an order;

(ii) Concentrations attributable to the increase in emissions from sources which have converted from using natural gas by reason of a natural gas curtailment plan in effect pursuant to the Federal Power Act over the emissions from such sources before the effective date of such plan;

(iii) Concentrations of particulate matter attributable to the increase in emissions from construction or other temporary emission-related activities; and

(iv) The increase in concentrations attributable to new sources outside the United States over the concentrations attributable to existing sources which are included in the baseline concentration.

(2) If the plan provides that the concentrations to which paragraph (f)(1) refers shall be excluded, it shall also provide that—

(i) No exclusion of such concentrations shall apply more than five years after the effective date of the order to which paragraph (f)(1)(i) refers or the plan to which paragraph (f)(1)(ii) refers, whichever is applicable.

(ii) If both such order and plan are applicable, no such exclusion shall apply more than five years after the later of such effective dates.

(g) *Redesignation.* (1) The plan shall provide that all areas of the State (except as otherwise provided under paragraph (e) of this section) shall be designated either Class I, Class II, or Class III. Any designation other than Class II shall be subject to the redesignation procedures of this paragraph. Redesignation (except as otherwise precluded by paragraph (e) of this section) may be proposed by the respective States or Indian Governing Bodies, as provided below, subject to approval by the Administrator as a revision to the applicable State implementation plan.

(2) The plan may provide that the State may submit to the Administrator a proposal to redesignate areas of

the State Class I or Class II: *Provided, That:*

(i) At least one public hearing has been held in accordance with procedures established in § 51.4.

(ii) Other States, Indian Governing Bodies, and Federal Land Managers whose lands may be affected by the proposed redesignation were notified at least 30 days prior to the public hearing;

(iii) A discussion of the reasons for the proposed redesignation, including a satisfactory description and analysis of the health, environmental, economic, social, and energy effects of the proposed redesignation, was prepared and made available for public inspection at least 30 days prior to the hearing and the notice announcing the hearing contained appropriate notification of the availability of such discussion;

(iv) Prior to the issuance of notice respecting the redesignation of an area that includes any Federal lands, the State has provided written notice to the appropriate Federal Land Manager and afforded adequate opportunity (not in excess of 60 days) to confer with the State respecting the redesignation and to submit written comments and recommendations. In redesignating any area with respect to which any Federal Land Manager had submitted written comments and recommendations, the State shall have published a list of any inconsistency between such redesignation and such comments and recommendations (together with the reasons for making such redesignation against the recommendation of the Federal Land Manager); and

(v) The State has proposed the redesignation after consultation with the elected leadership of local and other substate general purpose governments in the area covered by the proposed redesignation.

(3) The plan may provide that any area other than an area to which paragraph (e) of this section refers may be redesignated as Class III if—

(i) The redesignation would meet the requirements of provisions established in accordance with paragraph (g)(2) of this section;

(ii) The redesignation, except any established by an Indian Governing Body, has been specifically approved by the Governor of the State, after consultation with the appropriate committees of the legislature, if it is in session, or with the leadership of the legislature, if it is not in session (unless State law provides that such redesignation must be specifically approved by State legislation) and if general purpose units of local government representing a majority of the residents of the area to be redesignated enact legislation (including resolutions where appropriate) concurring in the redesignation;

(iii) The redesignation would not cause, or contribute to, a concentration of any air pollutant which would exceed any maximum allowable increase permitted under the classification of any other area or any national ambient air quality standard; and

(iv) Any permit application for any major stationary source or major modification subject to provisions established in accordance with paragraph (l) of this section which could receive a permit only if the area in question were redesignated as Class III, and any material submitted as part of that application, were available, insofar as was practicable, for public inspection prior to any public hearing on redesignation of any area as Class III.

(4) The plan shall provide that lands within the exterior boundaries of Indian Reservations may be redesignated only by the appropriate Indian Governing Body. The appropriate Indian Governing Body may submit to the Administrator a proposal to redesignate areas Class I, Class II, or Class III: *Provided, That:*

(i) The Indian Governing Body has followed procedures equivalent to those required of a State under paragraphs (g)(2), (g)(3)(iii), and (g)(3)(iv) of this section; and

(ii) Such redesignation is proposed after consultation with the State(s) in which the Indian Reservation is located and which border the Indian Reservation.

(5) The Administrator shall disapprove, within 90 days of submission, a proposed redesignation of any area only if he finds, after notice and opportunity for public hearing, that such redesignation does not meet the procedural requirements of this section or is inconsistent with paragraph (e) of this section. If any such disapproval occurs, the classification of the area shall be that which was in effect prior to the redesignation which was disapproved.

(6) If the Administrator disapproves any proposed area designation, the State or Indian Governing Body, as appropriate, may resubmit the proposal after correcting the deficiencies noted by the Administrator.

(h) *Stack heights.* The plan shall provide, as a minimum, that the degree of emission limitation required for control of any air pollutant under the plan shall not be affected in any manner by—

(1) So much of a stack height, in existence before December 31, 1970, as exceeds good engineering practice, or

(2) Any other dispersion technique implemented before then.

(i) *Review of major stationary sources and major modifications—Source applicability and general exemptions.* (1) The plan shall provide that no major stationary source or

major modification shall be constructed unless, as a minimum, requirements equivalent to those contained in the subparagraphs of paragraphs (j), (l), (n), (p), and (r) of this section, have been met. The plan may provide that such requirements shall apply to a proposed source or modification only with respect to those pollutants for which the proposed construction would be a major stationary source or major modification.

(2) The plan may provide, as a minimum, that requirements equivalent to those contained in the subparagraphs of paragraphs (j), (l), (n), and (p) of this section shall not apply to a major stationary source or major modification with respect to a particular pollutant if the owner or operator demonstrates that—

(i) As to that pollutant, the source or modification is subject to the emission offset ruling (41 FR 55524) as it may be amended or to regulations approved or promulgated pursuant to Section 173 of the Act, and

(ii) The source or modification would impact no area attaining the national ambient air quality standards (either internal or external to areas designated as nonattainment under Section 107 of the Act).

(3) The plan may provide that requirements equivalent to those contained in the subparagraphs of paragraphs (j), (l), (n), (p), and (r) shall not apply to nonprofit health or education institutions.

(4) The plan may provide that a portable facility which has received construction approval under requirements equivalent to those contained in the subparagraphs of paragraphs (j), (l), (n), (p), (q), and (r) may relocate without being subject to such requirements if—

(i) Emissions from the facility would not exceed allowable emissions; and

(ii) Such relocation would impact no Class I area and no area where an applicable increment is known to be violated; and

(iii) Notice is given to the reviewing authority at least 30 days prior to such relocation identifying the proposed new location and the probable duration of operation at such location.

(j) *Control technology review.* The plan shall provide that—

(1) A major stationary source or major modification shall meet all applicable emission limitations under the State implementation plan and all applicable emission standards and standards of performance under 40 CFR Part 60 and Part 61.

(2) A major stationary source or major modification shall apply best available control technology for each applicable pollutant, unless the increase in allowable emissions of that pollutant from the source would be less than 50 tons per year, 1,000

pounds per day, or 100 pounds per hour, whichever is most restrictive.

(i) The preceding hourly or daily rates shall apply only with respect to a pollutant for which an increment, or national ambient air quality standards, for a period less than 24 hours or a period of 24 hours, as appropriate, has been established.

(ii) In determining whether and to what extent a modification would increase allowable emissions, there shall be taken into account no emission reductions achieved elsewhere at the source at which the modification would occur.

(3) In the case of a modification, the requirement for best available control technology shall apply only to each new or modified facility which would increase the allowable emissions of an applicable pollutant.

(4) Where a facility within a source would be modified but not reconstructed, the requirement for best available control technology, notwithstanding paragraph (j)(2) of this section, shall not apply if no net increase in emissions of an applicable pollutant would occur at the source, taking into account all emission increases and decreases at the source which would accompany the modification, and no adverse air quality impact would occur.

(5) For phased construction projects the determination of best available control technology shall be reviewed, and modified as appropriate, at the latest reasonable time prior to commencement of construction of each independent phase of the proposed source or modification.

(6) In the case of a major stationary source or major modification which the owner or operator proposes to construct in a Class III area, emissions from which would cause or contribute to air quality exceeding the maximum allowable increase that would be applicable if the area were a Class II area and where no standard under 40 CFR Part 60 has been promulgated for the source category, the Administrator shall approve the determination of best available control technology.

(k) *Exemptions from impact analysis.* (1) The plan may provide that with respect to a particular pollutant the requirements of provisions established in accordance with paragraphs (l), (n), and (p) of this section shall not apply to a proposed major stationary source or major modification, if—

(i) The increase in allowable emissions of that pollutant from the source or modification would impact no Class I area and no area where an applicable increment is known to be violated; and

(ii) The increase in allowable emissions of that pollutant from the source or modification would be less than 50 tons per year, 1,000 pounds per day, or 100 pounds per hour, whichever is most restrictive; or

(iii) The emissions of the pollutant are of a temporary nature including but not limited to those from a pilot plant, a portable facility, construction, or exploration; or

(iv) A source is modified, but no increase in the net amount of emissions for any pollutant subject to a national ambient air quality standard and no adverse air quality impact would occur.

(2) The hourly or daily rates set in paragraph (k)(1)(ii) of this section shall apply only with respect to a pollutant for which an increment, or national ambient air quality standard, for a period of less than 24 hours or for a period of 24 hours, as appropriate, has been established.

(3) The plan shall provide that, in determining for the purpose of provisions established in accordance with paragraph (k)(1)(ii) of this section whether and to what extent a modification would increase allowable emissions, there shall be taken into account no emission reductions achieved elsewhere at the source at which the modification would occur.

(4) The plan shall provide that, in determining for the purpose of provisions established in accordance with paragraph (k)(1)(iv) of this section whether and to what extent there would be an increase in the net amount of emissions of any pollutant subject to a national ambient air quality standard from the source which is modified, there shall be taken into account all emission increases and decreases occurring at the source since August 7, 1977.

(5) The plan may provide that the requirements of provisions established in accordance with paragraphs (l), (n), and (p) of this section shall not apply to a major stationary source or major modification with respect to emissions from it which the owner or operator has shown to be fugitive dust.

(l) *Air quality review.* (1) The plan shall provide that the owner or operator of the proposed source or modification must demonstrate that allowable emissions increases from the source or modification, in conjunction with all other applicable emissions increases or reductions, will not cause or contribute to air pollution in violation of—

(i) Any national ambient air quality standard in any air quality control region; or

(ii) Any applicable maximum allowable increase over the baseline concentration in any area.

(m) *Air quality models.* (1) The plan shall provide for procedures which specify that—

(i) All estimates of ambient concentrations required under paragraph (l) shall be based on the applicable air quality models, data bases, and other requirements specified in the *Guidelines on Air Quality Models* (OAQPS

1.2-080, U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, April 1978).

(ii) Where an air quality impact model specified in the *Guideline on Air Quality Models* is inappropriate, the model may be modified or another model substituted.

(iii) A substitution or modification of a model shall be subject to public comment procedures developed in accordance with paragraph (r) of this section.

(iv) Written approval of the Administrator must be obtained for any modification or substitution.

(v) Methods like those outlined in the *Workbook for the Comparison of Air Quality Models* (U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, April 1977) should be used to determine the comparability of air quality models.

(2) The *Guideline on Air Quality Models* is incorporated by reference. On April 27, 1978, the Office of the Federal Register approved this document for incorporation by reference. A copy of the guideline is on file in the Federal Register library.

(3) The documents referenced in this paragraph are available for public inspection at EPA's Public Information Reference Unit, Room 2922, 401 M Street SW., Washington, D.C. 20460, and at the libraries of each of the ten EPA Regional Offices. Copies are available as supplies permit from the Library Service Office (MD-35), U.S. Environmental Protection Agency, Research Triangle Park, N.C. 27711. Also, copies may be purchased from the National Technical Information Service, 5285 Port Royal Road, Springfield, Va. 22161.

(n) *Monitoring.* The plan shall provide that—

(1) The owner or operator of a proposed source or modification shall, after construction of the source or modification, conduct such ambient air quality monitoring as the reviewing authority determines may be necessary to establish the effect which emissions from the source or modification of a pollutant for which a national ambient air quality standard exists (other than non-methane hydrocarbons) may have, or is having, on air quality in any area which such emissions would affect.

(2) As necessary to determine whether emissions from the proposed source or modification would cause or contribute to a violation of a national ambient air quality standard, any permit application submitted after August 7, 1978, shall include an analysis of continuous air quality monitoring data for any pollutant emitted by the source or modification for which a national am-

bient air quality standard exists, except non-methane hydrocarbons. Such data shall relate to, and shall have been gathered over, the year preceding receipt of the complete application, unless the owner or operator demonstrates to the Administrator's satisfaction that such data gathered over a portion or portions of that year or another representative year would be adequate to determine that the source or modification would not cause or contribute to a violation of a national ambient air quality standard.

(o) *Source information.* (1) The plan shall provide that the owner or operator of a proposed source or modification shall submit all information necessary to perform any analysis or make any determination required under procedures established in accordance with this section.

(2) The plan may provide that such information shall include:

(i) A description of the nature, location, design capacity, and typical operating schedule of the source or modification, including specifications and drawings showing its design and plant layout;

(ii) A detailed schedule for construction of the source or modification;

(iii) A detailed description as to what system of continuous emission reduction is planned by the source or modification, emission estimates, and any other information as necessary to determine that best available control technology as applicable would be applied;

(3) The plan shall provide that upon request of the State, the owner or operator shall also provide information on:

(i) The air quality impact of the source or modification, including meteorological and topographical data necessary to estimate such impact; and

(ii) The air quality impacts and the nature and extent of any or all general commercial, residential, industrial, and other growth which has occurred since August 7, 1977, in the area the source or modification would affect.

(p) *Additional impact analyses.* The plan shall provide that—

(1) The owner or operator shall provide an analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the source or modification and general commercial, residential, industrial, and other growth associated with the source or modification. The owner or operator need not provide an analysis of the impact on vegetation having no significant commercial or recreational value.

(2) The owner or operator shall provide an analysis of the air quality impact projected for the area as a result of general commercial, residential, industrial, and other growth associated with the source or modification.

(q) *Sources impacting Federal Class I areas—additional requirements—*

(1) *Notice to EPA.* The plan shall provide that the reviewing authority shall transmit to the Administrator a copy of each permit application relating to a major stationary source or major modification and provide notice to the Administrator of every action related to the consideration of such permit.

(2) *Federal Land Manager.* The Federal Land Manager and the Federal official charged with direct responsibility for management of Class I lands have an affirmative responsibility to protect the air quality related values (including visibility) of any such lands and to consider, in consultation with the Administrator, whether a proposed source or modification would have an adverse impact on such values.

(3) *Denial—impact on air quality related values.* The plan shall provide a mechanism whereby a Federal Land Manager of any such lands may present to the State, after the reviewing authority's preliminary determination required under procedures developed in accordance with paragraph (r) of this section, a demonstration that the emissions from the proposed source or modification would have an adverse impact on the air quality-related values (including visibility) of any Federal mandatory Class I lands, notwithstanding that the change in air quality resulting from emissions from such source or modification would not cause or contribute to concentrations which would exceed the maximum allowable increases for a Class I area. If the State concurs with such demonstration, the reviewing authority shall not issue the permit.

(4) *Class I Variances.* The plan may provide that the owner or operator of a proposed source or modification may demonstrate to the Federal Land Manager that the emissions from such source would have no adverse impact on the air quality related values of such lands (including visibility), notwithstanding that the change in air quality resulting from emissions from such source or modification would cause or contribute to concentrations which would exceed the maximum allowable increases for a Class I area. If the Federal Land Manager concurs with such demonstration and so certifies to the State, the reviewing authority may: *Provided*, That applicable requirements are otherwise met, issue the permit with such emission limitations as may be necessary to assure that emissions of sulfur dioxide and particulate matter would not exceed the following maximum allowable in-

creases over baseline concentration for such pollutants:

	Maximum allowable increase (micrograms per cubic meter)
Particulate matter:	
Annual geometric mean	19
24-hr. maximum	37
Sulfur dioxide:	
Annual arithmetic mean	20
24-hr. maximum	91
3-hr. maximum	325

(5) *Sulfur Dioxide Variance by Governor with Federal Land Manager's Concurrence.* The plan may provide that—

(i) The owner or operator of a proposed source or modification which cannot be approved under procedures developed pursuant to paragraph (q)(4) of this section may demonstrate to the Governor that the source or modification cannot be constructed by reason of any maximum allowable increase for sulfur dioxide for periods of twenty-four hours or less applicable to any Class I area and, in the case of Federal mandatory Class I areas, that a variance under this clause would not adversely affect the air quality related values of the area (including visibility);

(ii) The Governor, after consideration of the Federal Land Manager's recommendation (if any) and subject to his concurrence, may grant, after notice and an opportunity for a public hearing, a variance from such maximum allowable increase; and

(iii) If such variance is granted, the reviewing authority may issue a permit to such source or modification in accordance with provisions developed pursuant to paragraph (q)(7) of this section: *Provided*, That the applicable requirements of the plan are otherwise met.

(6) *Variance by the Governor with the President's concurrence.* The plan may provide that—

(i) The recommendations of the Governor and the Federal Land Manager shall be transferred to the President in any case where the Governor recommends a variance in which the Federal Land Manager does not concur;

(ii) The President may approve the Governor's recommendation if he finds that such variance is in the national interest; and

(iii) If such a variance is approved, the reviewing authority may issue a permit in accordance with provisions developed pursuant to the requirements of paragraph (q)(7) of this section: *Provided*, That the applicable requirements of the plan are otherwise met.

(7) *Emission Limitations for Presidential or Gubernatorial Variance.* The plan shall provide that in the case of a permit issued under procedures

developed pursuant to paragraph (q) (5) or (6) of this section, the source or modification shall comply with emission limitations as may be necessary to assure that emissions of sulfur dioxide from the source or modification would not (during any day on which the otherwise applicable maximum allowable increases are exceeded) cause or contribute to concentrations which would exceed the following maximum allowable increases over the baseline concentration and to assure that such emissions would not cause or contribute to concentrations which exceed the otherwise applicable maximum allowable increases for periods of exposure of 24 hours or less for more than 18 days, not necessarily consecutive, during any annual period:

Maximum Allowable Increase
[Micrograms per cubic meter]

Period of exposure	Terrain areas	
	Low	High
24-hr maximum	36	62
3-hr maximum	130	221

(r) *Public participation.* The plan shall provide that—

(1) The reviewing authority shall notify all applicants within a specified time period as to the completeness of the application or any deficiency in the application or information submitted. In the event of such a deficiency, the date of receipt of the application shall be the date on which the reviewing authority received all required information.

(2) Within one year after receipt of a complete application, the reviewing authority shall:

(i) Make a preliminary determination whether construction should be approved, approved with conditions, or disapproved.

(ii) Make available in at least one location in each region in which the proposed source would be constructed a copy of all materials the applicant submitted, a copy of the preliminary determination, and a copy or summary of other materials, if any, considered in making the preliminary determination.

(iii) Notify the public, by advertisement in a newspaper of general circulation in each region in which the proposed source would be constructed, of the application, the preliminary determination, the degree of increment consumption that is expected from the source or modification, and of the opportunity for comment at a public hearing as well as written public comment.

(iv) Send a copy of the notice of public comment to the applicant, the Administrator and to officials and agencies having cognizance over the location where the proposed construc-

tion would occur as follows: any other State or local air pollution control agencies, the chief executives of the city and county where the source would be located; any comprehensive regional land use planning agency, and any State, Federal Land Manager, or Indian Governing body whose lands may be affected by emissions from the source or modification.

(v) Provide opportunity for a public hearing for interested persons to appear and submit written or oral comments on the air quality impact of the source, alternatives to it, the control technology required, and other appropriate considerations.

(vi) Consider all written comments submitted within a time specified in the notice of public comment and all comments received at any public hearing(s) in making a final decision on the approvability of the application. The reviewing authority shall make all comments available for public inspection in the same locations where the reviewing authority made available preconstruction information relating to the proposed source or modification.

(vii) Make a final determination whether construction should be approved, approved with conditions, or disapproved.

(viii) Notify the applicant in writing of the final determination and make such notification available for public inspection at the same location where the reviewing authority made available preconstruction information and public comments relating to the source.

(s) *Source obligation.* The plan shall include legally enforceable procedures to provide that approval to construct shall not relieve any owner or operator of the responsibility to comply fully with applicable provisions of the plan and any other requirements under local, State or Federal law.

NOTE.—Incorporation by reference provisions approved by the Director of the Federal Register April 27, 1978.

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[6560-01]

[FRL 904-3A]

PART 52—APPROVAL AND PROMULGATION OF STATE IMPLEMENTATION PLANS

1977 Clean Air Act Amendments to Prevent Significant Deterioration

AGENCY: Environmental Protection Agency.

ACTION: Final rule.

SUMMARY: By these final regulations, EPA amends its regulations relating to prevention of significant air

quality deterioration (PSD) in order to implement the new PSD requirements of the Clean Air Act Amendments of 1977 (Pub. L. 95-95). As amended, the PSD regulations are now more comprehensive and stringent than they were. States may substitute comparable requirements through implementation plan revisions pursuant to regulations also being published today.

DATES: See § 52.21(i) of the regulations.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

INTRODUCTION

In 1974, EPA promulgated regulations under Section 101(b)(1) of the Clean Air Act (Act) to prevent emissions of sulfur dioxide (SO₂) and particulate matter (PM) from significantly deteriorating air quality in areas where concentrations of those pollutants were lower than the applicable national ambient air quality standards (NAAQS). 39 FR 42510 (codified at 40 CFR 52.21). EPA incorporated those regulations into the implementation plan (SIP) of each State. The regulations, as amended before August 7, 1977, prohibited construction of any stationary source in any of nineteen specified categories, unless EPA or a delegate State had issued a permit evidencing that the source would apply "best available control technology" (BACT) for SO₂ and PM and that emissions of those pollutants from the source would not cause significant deterioration of air quality in any area. For determining what levels of deterioration were significant, the regulations set out an area classification system. Under it, clean air areas could be classified as Class I, II, or III. In Class I areas, small increases of SO₂ and PM would be significant; in Class II areas, moderate increases; and in Class III areas, increases up to a NAAQS. The regulations classified all clean areas as Class II, but gave States, Indian Governing Bodies and Federal Land Managers the opportunity to reclassify their lands under specified requirements.

On August 7, 1977, the President signed into law new PSD requirements as part of the Clean Air Act Amendments of 1977 (1977 Amendments). These requirements follow the outline of the pre-existing regulations, but are in general more comprehensive and stringent. The permit requirements and classification system remain; but, among other things, many more

sources are covered, Class II increments are different and sometimes more restrictive, Class III increments are now specifically defined, ambient ceiling requirements apply, BACT applies to all pollutants regulated under the Act, certain lands are permanently Class I, the procedures for reclassifying to Class III are more rigorous, the scope of the ambient impact analysis is much broader, and the opportunity for public comment on a proposed permit must include an opportunity for a public hearing. See Clean Air Act Sections 160-169 42 U.S.C. §§ 7470-79 (Clean Air Act Amendments of 1977, Pub. L. 95-95, § 127(a), 91 Stat. 731), as amended, Pub. L. 95-190, Sections 14(a)(40)-(54), 91 Stat. 1401-02 (November 16, 1977) (technical and conforming amendments).

On November 3, 1977, EPA announced in the FEDERAL REGISTER several specific actions. The first was a final decision not to implement the new PSD requirements of Section 165 of the Act as of August 7, 1977, 42 FR 57459. The second, which embodied the first, was the promulgation of amendments to the pre-existing PSD regulations conforming them, not to Section 165, but primarily to Sections 162(a), 163(b) and 164(a) of the Act in accordance with Section 168(b). Id. Section 162(a) sets forth the new mandatory Class I areas; Section 163(b) identifies the new Class II and Class III increments and the ambient ceilings requirement; and Section 164(a) lists those areas which may not be reclassified as Class III and outlines the new Class III reclassification procedures. The third action EPA announced was the proposal of regulations giving guidance for the preparation of SIP revisions which would meet the new PSD requirements. Id. at 57471. The fourth action was the proposal of further, comprehensive amendments to the pre-existing PSD regulations. Id. at 57479. In announcing the proposals, EPA said that it intended to promulgate final regulations no later than March 1, 1978. Id. at 57459, 57471, 57479. Because Section 406(d)(2) of the 1977 Amendments directs the States to submit required SIP revisions within nine months of the promulgation of regulations giving guidance for their preparation, EPA also said that SIP revisions incorporating the new PSD requirements would be due no later than December 1, 1978. Id. at 57471, 57479.

On December 8, 1977, EPA published a supplement to the November 3 proposals. In the supplement, EPA clarified what sources the proposed amendments would exempt from the new PSD requirements, solicited comments on two additional issues, notified the public that technical and conforming amendments to the 1977 Amendments had been enacted on No-